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In the Matter of the Petition of
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INTERNATIONAL ASSOCIATION OF FIRE
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FIGHTERS LOCAL #583, AFL-CIO
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To Initiate Final and Binding
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Arbitration Between Said Petitioner and
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CITY OF BELOIT (FIRE DEPARTMENT)
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Case XXX
No. 20233 MIA-231
Decision No. 14421-A
Arbitration Award

Appearances

Appearing for the City was Mr. Neil M. Gundermann, Consultant and Mr. L. C. Tyler, Jr., Personnel Director.

Appearing for the Association was Mr. LeRoy H. Waite, President.

Introduction

Pursuant to an order of the Wisconsin Employment Relations Commission dated March 22, 1976 Arlen Christenson of Madison, Wisconsin was appointed to issue a final and binding award in a collective bargaining dispute between the International Association of Firefighters Local No. 583, AFL-CIO (hereafter Association) and the City of Beloit (hereafter City). The order was issued pursuant to Wisconsin Statutes Section 111.77(3)(b). Under the statutory procedure the arbitrator received final offers from each of the parties and is required to choose one or the other without modification. A hearing was held in Beloit on April 24, 1976 at which time both parties had full opportunity to present evidence and argument. Post hearing briefs were exchanged by June 3, 1976.

Final Offers

The City's final offer is as follows:

BI-WEEKLY WAGES:

1st Year Pipeman	\$364.14
2nd Year Pipeman	\$394.36
3rd Year Pipeman	\$433.80
4th Year Pipeman	\$451.64
5th Year Pipeman	\$469.48
10th Year Pipeman	\$473.76
Motor Pump Operator I	\$481.23
Motor Pump Operator II	\$488.71
Acting Lieutenant	\$493.69
Lieutenant	\$541.90
Fire Inspector I	\$541.90
Fire Inspector II	\$555.70
Asst. Fire Inspector	\$569.00
Mechanic I	\$541.90
Mechanic II	\$555.70
Master Mechanic	\$569.00
Captain	\$569.00

Wages to be retro-active to January 1, 1976.

Duration of Contract is for one year, expiring on
December 31, 1976.

The Association's final offer is as follows:

CHANGE:
ARTICLE III
Section 5

The Union shall be allowed a bank of hours totaling four work shifts for the purpose of attending Union Conventions in the odd number years. In the even number years the Union shall be allowed a bank of hours totaling six work shifts for the purpose of attending Union Conventions. Said hours must be taken in half or full shift increments.

Note: Underlined language indicates new issues of dispute.

CHANGE:
ARTICLE XVII
Section 1

All employees working a fifty-three (53) hour work week shall receive the sum of \$10.00 for the following holiday:

New Year's Eve

All employees working a fifty-three (53) hour work week shall receive the sum of \$20.00 for each of the following holidays:

New Year's Day
Good Friday
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Friday following Thanksgiving
Christmas Day
Christmas Eve

All employees working a fifty-three (53) hour work week shall be entitled to one (1) compensation day, if an above named holiday should fall on a scheduled work shift, to a maximum of two (2) compensation days per year. The compensation days shall not be taken when there are two men off duty due to vacation or compensation time.

Note: Underlined language indicates new issues of dispute.

CHANGE:
ARTICLE XVIII
Section 1

The salaries of the following designated collective bargaining unit employees shall be as follows, on a bi-weekly basis:

Note: No change requested.

Section 2

	Effective Jan. 1, 1976	Effective July 1, 1976	Effective Dec. 1, 1976
1st yr. Pipeman	\$ 364.14	\$ 382.34	\$ 397.64
2nd yr. Pipeman	394.36	414.06	430.64
3rd yr. Pipeman	433.80	455.49	473.71
4th yr. Pipeman	451.64	474.21	493.18
5th yr. Piepman	469.48	492.96	512.68
10th yr. Pipeman	473.76	497.45	517.35
Motor Pump Operator I	481.23	505.29	525.50
Motor Pump Operator II	488.11	513.15	533.67
Acting Lieutenant	493.69	518.37	539.11
Lieutenant	541.90	569.00	591.76
Fire Inspector I	541.90	569.00	591.76
Fire Inspector II	555.70	583.49	606.83
Asst. Fire Inspector	569.00	597.45	621.35
Mechanic I	541.90	569.00	591.76
Mechanic II	555.70	583.49	606.83
Master Mechanic	569.00	597.45	621.35
Captain	569.00	597.45	621.35

Note: Column effective Jan. 1, 1976 indicates city's offer.
 Column effective July 1, 1976 indicates an additional 5% over
 the city's offer. Column effective Dec. 1, 1976 indicates
 an additional 4% over the effective July 1, 1976 wages.

Discussion

Arbitrators acting under Wis. Stat. Sec. 111.77 are required to apply the statutory criteria in Sec. 111.77 (6) in reaching a decision. Those criteria are as follows:

Section 111.77 (6) of the Wisconsin Statutes provides as follows:

(6) In reaching a decision the arbitrator shall give weight to the following factors:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
- (d) Comparison of the wages, hours and conditions of employment of the employes involved in the arbitration proceeding with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally:

- (1) In public employment in comparable communities.
- (2) In private employment in comparable communities.

(e) The average consumer prices for goods and services commonly known as the cost of living.

(f) The overall compensation presently received by the employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits

The parties in this proceeding have argued almost exclusively the "financial ability" criterion contained in Sec. 111.77(6)(c) and the "comparison" criterion contained in 111.77(6)(d). For that reason and because I too consider those criteria to be the most relevant in this instance, this discussion will focus primarily on them.

The City's final offer on wages calls for a 4.5% across the board increase effective as of January 1, 1976. The Association's final offer consists of the same 4.5% increase as of January 1, 1976; an additional 5% on July 1, 1976; and another 4% on December 1, 1976. The Association's offer constitutes a 7.39% increase in wages for calendar 1976 over 1975 and would make base wages 13.5% higher at the end of 1976 than at the end of 1975.

The Association argues that a wage increase of the magnitude it proposes is necessary to bring wages in the bargaining unit into line with other comparable public employment in accordance with Wis. Stat. Sec. 111.77(6)(d)(1). In support of this proposition the Association cites a survey showing that wages in the Beloit Fire Department under the City's offer would be lower than the Beloit Police Department, lower than the Fire Department in the neighboring city of Janesville and lower than in 6 of 12 comparable cities surveyed. The Association's proposal would place Beloit Fire Department wages fourth among the 12 cities surveyed and closer but still less than the Janesville Fire Department. The Association contends that wages in the Beloit Fire Department have historically been comparable to the Beloit Police Department and the Janesville Fire Department but a disparity has grown in the last five years. Moreover, the Association argues, compensation of other Beloit City employees ranks near the top among the 12 cities surveyed and Fire Department wages should be at the same level.

The Association's offer also includes a provision for increased holiday benefits. At present the members of the bargaining unit are paid \$20 in lieu of time off for each of 9 holidays. The Association's offer would add contractual language giving employees 2 compensation days off in addition. These days could not be taken if two employees were off due to vacation or compensation days. This additional benefit is justified, the Union argues, because the Beloit Fire Department now has the worst holiday benefits among all the cities surveyed.

The Association's offer also includes a provision entitling the Association to 2 additional days off to permit attendance at its International Convention. The Association contends that this proposal would give the Association benefits equal to the average among the cities surveyed.

The City contends that the evidence does not support a wage increase of the magnitude reflected in the Association's final offer. It calculates that the increase in total compensation under the Association's offer, including increased insurance costs agreed upon, is 14.2% in 1976. In addition, the City points out, the financial impact is greater than that figure suggests because a 13.5% increase in base wages during 1976 means that the City would start 1977 with an additional \$52,000 burden to pay for the Association's offer. The City does not challenge the Association's survey of comparable cities nor its contentions that wages in the bargaining unit have been historically more nearly comparable to the Janesville Fire Department and the Beloit Police Department.

It is clear that wages in the Beloit Fire Department have in fact fallen below the historical level in comparison with the Janesville Fire Department and the Beloit Police Department. Without engaging unnecessarily in the old argument about parity between police and fire departments, the wages paid other public employees in the same city are relevant under the statutory criteria. Moreover, as arbitrator Marshall pointed out in his award in the 1975 Beloit Police Department arbitration, the wages paid in nearby Janesville are highly relevant because of geographic proximity and "a well defined and historical community of interest." These comparisons together with the comparisons with other cities contained in Association exhibits make a strong case for a wage increase sufficient to improve the relative position of the Beloit Fire Department.

The survey data are less persuasive with respect to increased holiday benefits and time off for attendance at Union conventions. It is reasonable to conclude, however, that the Association's proposals would not put the Beloit Fire Department out of line with other comparable Departments.

The data pertaining to the statutory comparability criterion are persuasive that the members of the bargaining unit should receive a substantial wage increase to bring their wages into line. The City also makes a persuasive argument that the Association's offer is too big a chunk to swallow at one time. Spreading the increase over three installments in 1976 reduces the fiscal impact during this year but does not alter the fact that wages, under the Association's offer, would increase 13.5% in one year. With the 9.8% increase given the Beloit Fire Department in 1975 this would amount to better than a 24% increase over a two year period. While wage increases of such a magnitude may be justifiable on the basis of cost of living increases they are in excess of the norm in public employment generally in this period of faltering tax revenues.

The City's offer of a 4.5% increase, on the other hand, will do nothing to improve the relative position of the Beloit Fire Department wages compared with other departments and particularly Janesville. Whether or not it will improve Beloit fire-fighter wages vis a vis the Beloit Police Department apparently depends upon whether or not an arbitrator in another final offer proceeding will choose the City's offer of a 2% increase for Beloit police officers.

Looking at wage comparisons, therefore, I find that I am confronted with a final offer by the Association that is larger than I believe justified and one by the City I find to be too small. On balance, however, I find that from the stand point of the wage comparison criterion alone, the Association's offer is more acceptable.

The City argues, however, that it has no money in its budget to pay for a wage increase in excess of its final offer. Moreover it has taxed up to the tax limits imposed by the state. Thus, under the statutory criterion of the "financial ability of the unit of government to meet [the] costs," its final offer should be accepted. The Association responds to this argument by pointing out that although 60% of the City's budget goes to pay employee compensations only 21% of the additional tax funds for 1976 were budgeted for this purpose. The City could, the Association contends, transfer funds it budgeted for capital improvements to pay for increased employee benefits. Since the cost for 1976 of the Union wage offer is only \$17,000 more than the City's and the budget contains a \$32,000 surplus the City could meet the cost without undue strains. The City responds to these Association arguments by pointing out that the \$30,000 surplus has been allocated to a deficit in the ambulance budget and contending that the total cost of the Association's offer over the City's is \$40,000 in 1976.

The City also argues that the Association's offer should be rejected because it will result in a total increase of \$152,000 as of January 1, 1977 in the amount of money the City will have to budget for Fire Department wages and fringe benefits. The City contends it "simply does not have the financing capabilities to increase its levy limit for this purpose." The Association responds that the costs in 1977 should be a matter for negotiations on the 1977 contract and not considered here.

It is difficult to get an exact fix on the costs of the offers under consideration. The City's figures are based on some assumptions about the financial impact of the Association's holiday proposal and other factors which were challenged at the hearing. Nevertheless the conclusion is inevitable that the Association's offer would be expensive to implement. It would add between \$30,000 and \$40,000 to the City's budget for 1976 over the cost of the City's offer. In addition the July 1 and December 1 increases would mean that an additional amount would be required by January 1, 1977. The cost is sufficient to cause considerable concern about the reasonableness of the Association's offer.

The City, however, has not shown that it is unable to pay for the Association's proposal. There are options available. Reallocation within the budget, borrowing, seeking authorization to exceed levy limits and perhaps other avenues are possible for 1976. Moreover, as the Association points out, the City could have budgeted more for wage increases in the first instance. The City's ability to pay argument rests in part upon the proposition that once it has budgeted a certain amount of money for wage increases and the rest of the funds available under its levy limitations to other purposes it becomes unable to pay any more for wages than it has budgeted. To the extent the City's argument rests on this proposition it must fall. Otherwise the City, as long as levy limitations continue, could unilaterally determine the cost of wage negotiations through its budget allocations.

I conclude that it would be difficult but not impossible for the City to finance the Association's final offer. As stated previously, I find the Association's offer to be higher than I would award given a free choice. I also find the City's offer to be considerably too low. The City's offer would increase the already existing disparity between the Beloit Fire Department and other comparable public employment. For this reason I conclude that it is appropriate that the City undertake the financing of the Association's final offer despite the apparent difficulties.

Award

It is my award that the final offer of the International Association of Fire Fighters, Local No. 583 is adopted.

Dated at Madison, Wisconsin this 21st day of July, 1976.

Arlen Christenson /s/
Arlen Christenson, Arbitrator